



**CITY OF SCOTTSDALE
TOURISM DEVELOPMENT AND MCDOWELL SONORAN PRESERVE COMMISSION
DESERT DISCOVERY CENTER SUB-COMMITTEE
REGULAR JOINT MEETING**

MONDAY, AUGUST 17, 2009

**ECONOMIC VITALITY DEPARTMENT
CONFERENCE ROOM
4021 N. 75TH STREET SUITE 102
SCOTTSDALE, ARIZONA 85251
APPROVED MINUTES**

MEMBERS PRESENT: BJ Heggli, Chair
Melinda Gulick, Committee Member
David Richard, Committee Member (arrived at 4:15 p.m.)
Mike Surguine, Committee Member

STAFF: Bob Cafarella
Kathy O'Connor
Kroy Ekblaw
Kathy Montalvo
Brett Berry
Scott McCarty
Bill Murphy

GUESTS: Dan Gruber

1. Call to Order/Roll Call

Chair Heggli called the regular meeting of the Desert Discovery Center Committee to order at 4:05 p.m. A formal roll call confirmed members present as stated above, noting the presence of a quorum.

2. Approval of Minutes

COMMITTEE MEMBER GULICK MOVED TO APPROVE THE MINUTES OF THE AUGUST 3, 2009 REGULAR MEETING. COMMITTEE MEMBER SURGUINE SECONDED. THE MOTION CARRIED UNANIMOUSLY BY A VOTE OF THREE (3) TO ZERO (0). COMMITTEE MEMBER RICHARD WAS NOT YET PRESENT.

3. Amounts and Potential Sources of Funds for Phase Two Consultants' Work

Ms. O'Connor reviewed the history of the three previous DDC studies. The original study from 1999 was comprehensive, but stalled due to the economic downturn that occurred shortly after its completion. That study cost \$109,000. During the 2006 study, it became clear that a simple update would be insufficient. That study cost \$52,500. The most recent study represents a fresh start, and had the goal of developing a concept that would work in Scottsdale's current environment. The Phase One portion of the study provided the platform for the current Phase Two Study. The \$83,000 cost was funded partially by the private sector, and partially by bed tax revenue. Committee Member Gulick elaborated that private sector money was generated through a fundraising campaign that raised approximately \$50,000, \$16,000 of which remains in the fund to be applied towards Phase Two.

Preliminary staff estimates provided a range of cost estimates, with costs for some components still to be determined. Preliminary cost estimates for the entire study could range from \$315,000 to \$500,000 depending on the methodologies and the specifics and degree of detail for the final deliverables.

Committee Member Gulick inquired about the cost of an architectural rendering that could be used to generate donor interest. Mr. Cafarella responded that ideally the design competition would produce a basic design that could be used for that purpose. Ms. O'Connor clarified that the Phase Two cost would not cover construction documents, but would produce detailed building design and exhibit elements that could be used to determine whether to move ahead on construction documents. Phase Two essentially becomes the commitment phase. If Council decides to accept and fund the Commission's recommendations, the DDC would be well on its way towards realization.

Committee Member Richard suggested that the \$16,000 left over from Phase One would be used to pay for the architectural rendering. Committee Member Gulick said the rendering should be part of the market testing, because one of the DDC's goals is to create a building that would capture the public's imagination. She doubted whether \$16,000 would be enough to accomplish this. Ms. O'Connor said the construction Project Manager for the Museum of the West has indicated a willingness to attend the next DDC meeting to provide some insight on the costs involved in that project. Mr. Cafarella said Council would likely be amenable to combining the \$16,000 with whatever public funding is found. Even if a rendering were not required for the market study, it would be required shortly thereafter. Committee Member Surguine said an architectural rendering would not mean much unless there was an architectural design behind it.

Mr. McCarty reviewed the City's CIP process. Staff is in the process of compiling a list of projects that would be appropriate for a new voter approved bond issue, to have before Council by the end of September. The projects would be kept on a conceptual level and provide no specifics. Once Council approves the rest of the process, Staff would develop specifics on each project. It should take until March of 2010 to develop the package that would be put on the ballot for November of 2010. In response to inquiries from Committee Member Gulick, Mr. McCarty said Council has given an indication that they would be interested in a bond election in 2010, but they would have to commit by

July 1. Scottsdale has more bonding capacity than is required. The real concern is over the public's willingness to raise property taxes. Debt can be layered to keep the property taxes level by replacing old debt for new debt. In order to do that, Staff would first need to know how big the bond issue is going to be. If a project fails to get included on the bond list, it would go to the City's regular CIP list for Council vetting.

Mr. McCarty clarified for Mr. Cafarella that the cost estimate for the bond would cover the entire project, not just the soft costs. The estimated \$500,000 that is required for the initial soft costs could come from various sources. About \$100,000 is available in the bed tax fund. The City's General CIP Fund has \$10 million available to spend on projects this year. Preserve money could be used, and there is the remaining \$16,000 in private donations. Committee Member Surguine inquired why Preserve money has not been used before. Mr. Cafarella described two prevalent concerns. One group wants every dollar spent on land acquisition, while another group interprets the Preserve ballot language very narrowly. The Attorney's Office feels that it could make a strong case that the DDC fits into the amenities described in the Preserve Proposition.

Mr. McCarty suggested that the best solution at this point would be to simply request funding from the City's General CIP Fund. He also encouraged the Committee to begin holding discussions with their respective Commissions about how to fund the DDC beyond the initial \$500,000. Trying to sort out whether to use Preserve money at this point, could bog the process down and threaten the entire timeline. A bond issue for 2010 would have to be done between March and May. If the DDC were not part of this bond, there would not be another opportunity for six or seven years.

Ms. O'Connor inquired whether the Phase Two deliverables would have to be finished in order to remain on the Council's list of potential capital projects. Mr. McCarty responded that Council was familiar enough with the concept without needing the deliverables to keep the DDC on the list. Mr. Ekblaw added that Council would find anything that was available to be helpful in the decision-making process. He also said it will be important for the citizens to have that information to draw on when they begin to generate public support for the bond.

In response to an inquiry from Committee Member Surguine, Mr. McCarty said Staff would use the Council meeting in September to explain the general bond process. Mr. Ekblaw said October is the earliest reasonable opportunity to make the General CIP funding request. The Committee agreed to recommend that the Commissions target of \$500,000 from the General CIP Fund and direct Staff to move forward with the request on the Council agenda. If Council approves the request, Staff would be directed to enter into the contractual process to hire consultants. Mr. Cafarella clarified that the Committee is expected to be involved in that process as well.

Chair Heggli proposed drafting a second version of the work plan before presenting it to the Commissions. He raised the possibility of calling special Commission meetings in order to expedite the process. Mr. McCarty said Council would have the opportunity to review the consultant contracts in due time. The important thing immediately is to determine whether both Commissions support the CIP request. Chair Heggli targeted Committee approval at the next meeting so that the recommendation could be forwarded to the Commissions for September action.

4. **Work Plan Modifications from the August 3, 2009 Joint Commission Sub-Committee Meeting; Work Plan Feedback from August 6, 2009 MSPC Meeting; Submittal to TDC**

Chair Heggli reported on the presentation he made to the MSPC, noting questions about who reports to Council, the time frame of the work plan, and where the money would come from. He said the report was generally well received.

5. **Process for Timing and Review of Comparable Facilities; Selection of Facilities for Review and Finalization of Standardized Information to Collect on Each Facility**

Ms. O'Connor reviewed a worksheet of facilities and suggested that each Commissioner choose two to survey. Chair Heggli noted that a volunteer has stepped forward who is willing to review all the facilities for the Committee. Besides saving the Committee's time, this would allow for consistency. The Committee agreed to the suggestion, and set a deadline for August 31. Mr. Cafarella said Staff would fine-tune the list of questions to include in the survey to ensure that nothing important was omitted.

6. **Process and Timing of Presentation to City Council**

Mr. Cafarella reiterated that the plan is to have this item on the Council agenda in early October. Council would consider a funding plan at the same time.

7. **Schedule Next Meeting**

The Committee agreed to meet again on August 31.

8. **Public Comment**

Mr. Gruber said proper timing will be critical. The Chair and Staff will need to stay aware of exactly which deliverables would be needed by when. The time frame is very short for the things that are needed soonest. The Commissions cannot delay in making decisions. If they take a month to consider each stage, the timeline would fall apart. He urged the Committee to start the City's procurement process immediately. History suggests that doing everything in a serial fashion will take too long.

9. **Adjournment**

With no further business to discuss, the Committee meeting adjourned at 5:20 p.m.

Respectfully submitted,
A/V Tronics, Inc. DBA AVTranz.